

## **Assembly Bill No. 2511**

### **CHAPTER 532**

An act to add Chapter 9.5 (commencing with Section 44299.50) and Chapter 9.7 (commencing with Section 44299.75) to Part 5 of Division 26 of the Health and Safety Code, relating to air quality.

[Approved by Governor September 18, 2000. Filed  
with Secretary of State September 19, 2000.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

AB 2511, Steinberg. Air quality: mobile source emissions.

(1) Under existing law, there is a motor vehicle inspection program designed to ensure that the reduction in vehicle emissions of hydrocarbons, carbon monoxide, and oxides of nitrogen meet or exceed the reductions required by the federal Clean Air Act. The program is intended to endeavor to achieve these vehicle emission reductions as expeditiously as practicable, but not later than the deadlines established by the amendments enacted to the federal Clean Air Act in 1990. Existing law also establishes the Carl Moyer Memorial Air Quality Standards Attainment Trust Fund, administered by the State Air Resources Board, to provide grants to offset the incremental cost of projects that reduce emissions of oxides of nitrogen (NO<sub>x</sub>) from specified mobile sources in California.

This bill would enact the Sacramento Emergency Clean Air and Transportation Program, to be administered by the Sacramento Area Council of Governments. Pursuant to the program, grant awards for eligible onroad emission-reducing projects would be made by the council.

This bill would also enact the San Joaquin Valley Emergency Clean Air Attainment Program, to be administered by the San Joaquin Valley Air Pollution Control District. Pursuant to the program, grant awards for eligible onroad and off-road emission-reducing projects would be made by the district.

Chapter 91 of the Statutes of 2000 creates the Traffic Congestion Relief Fund and appropriates money from that fund for allocation for various projects, including programs that establish incentives for the reduction of emissions from heavy-duty diesel engines operating within the Sacramento region and the San Joaquin Valley region.

This bill would specify that moneys allocated from that fund for the above programs may be used to fund the programs established by this bill.

*The people of the State of California do enact as follows:*

SECTION 1. The Legislature finds and declares all of the following:

(a) The Sacramento federal ozone nonattainment area is a geographical and meteorological entity not reflected by political boundaries.

(b) The region has serious and severe air pollution problems caused by the operation of more than 1,300,000 vehicles within the region, combined with the operation of heavy-duty commercial vehicles moving statewide goods through the region.

(c) Despite the implementation of improved emission controls on motor vehicles and stationary sources, rapid population growth and increases in vehicle miles traveled in and through the region has resulted in severe air pollution that is expected to worsen in future years.

(d) The state and federal governments have adopted ambient air quality standards in order to protect public health, and it is in the public interest that those standards be attained as expeditiously as possible.

(e) In order to achieve and maintain these air quality standards, protect public health, and preserve necessary economic growth, a Sacramento Emergency Clean Air and Transportation Program is required to be implemented in order to provide the maximum achievable reduction in emissions from existing sources and to provide for the maximum feasible reduction or mitigation of emissions resulting from future population growth, increased vehicle mileage, and other new sources of onroad emissions.

(f) In order to successfully develop and implement a comprehensive program for the attainment and maintenance of state and federal ambient air quality standards in the region, the air quality management districts in the Sacramento federal ozone nonattainment area must be delegated additional resources and responsibility from the state, particularly with respect to reducing motor vehicle emissions from public fleets and from those vendor fleets that contract with public entities.

(g) In order to successfully implement a coordinated air quality strategy for the region, the actions and responsibilities of local and regional authorities with respect to the implementation of air pollution control strategies must be fully integrated among the air districts comprising the Sacramento federal ozone nonattainment area. These districts include the El Dorado Air Pollution Control District, Feather River Air Quality District, Placer County Air Pollution Control District, Sacramento Metropolitan Air Quality Management District, and Yolo-Solano Air Quality Management District.



SEC. 2. The Legislature further finds and declares all of the following:

(a) The San Joaquin Valley Air Basin is currently classified as a “serious” nonattainment area under the ambient air quality standards for ozone.

(b) The San Joaquin Valley Air Basin did not meet the deadline for attaining compliance with the air quality standards for ozone in 1999 and as a result will soon be reclassified as a “severe” nonattainment area, and will have a new attainment deadline of 2005.

(c) In order to attain compliance with the ambient air quality standards by the 2005 deadline, the San Joaquin Valley Air Basin must maintain three consecutive years in compliance, and thus must be in compliance beginning in 2003. To attain compliance with those standards, the San Joaquin Valley Air Basin must immediately achieve significant reductions in emissions from mobile and stationary sources.

(d) The early introduction of low-emission technology for heavy-duty vehicles provides the best opportunity for emissions reduction in the San Joaquin Valley Air Basin.

SEC. 3. Chapter 9.5 (commencing with Section 44299.50) is added to Part 5 of Division 26 of the Health and Safety Code, to read:

CHAPTER 9.5. SACRAMENTO EMERGENCY CLEAN AIR AND  
TRANSPORTATION PROGRAM

44299.50. As used in this chapter, the following terms have the following meanings:

(a) “Advanced introduction costs” means the costs of the project less a baseline cost that would otherwise be incurred by the applicant in the normal course of business. “Advanced introduction costs” may include, but are not limited to, incremental costs, additional operational costs, facility modifications, additional staff training, fueling infrastructure, and costs associated with off-cycle vehicle replacement, as determined by the Sacramento Region Districts.

(b) “Attainment” means meeting the National Ambient Air Quality Standards for ozone.

(c) “Conformity” means that a transportation program, project, and plan promulgated by the Sacramento Area Council of Governments is able to successfully comply with Sections 7410 and 7506 of Title 42 of the United States Code, so as to qualify for an approval, license, or permit, or to obtain financial assistance, from the federal agencies specified in those sections.

(d) “Covered engine” includes any internal combustion engine or electric motor and drive powering a covered source.

(e) “Covered source” includes onroad heavy-duty diesel vehicles and other onroad high-emitting diesel engine categories, as determined by SACOG.

(f) “Covered vehicle” includes any vehicle or piece of equipment powered by a covered engine.

(g) “New very low-emission vehicle” means a vehicle that qualifies as a very low emission vehicle when it is a new vehicle, as defined in Section 430 of the Vehicle Code, or that is modified with the approval and warranty of the original equipment manufacturer to qualify as a very low-emission vehicle within 12 months of delivery to an owner for private or commercial use.

(h) “NO<sub>x</sub>” means oxides of nitrogen.

(i) “Program” means the Sacramento Emergency Clean Air and Transportation Program created by this chapter.

(j) “Repower” means replacing an engine with a different engine. The term “repower,” as used in this chapter, generally refers to replacing an older, uncontrolled engine with a new, emissions-certified engine, although replacing an older emissions-certified engine with a newer engine certified to lower emissions standards may be eligible for funding under this program.

(k) “Retrofit” means making modifications to the engine and fuel system such that the retrofitted engine does not have the same specifications as the original engine.

(l) “SACOG” means the Sacramento Area Council of Governments.

(m) “Sacramento federal ozone nonattainment area” means the area defined by the United States Environmental Protection Agency in the Federal Register notice dated November 6, 1991 (56 Fed. Reg. 56694).

(n) “Sacramento Region Districts” means the El Dorado Air Pollution Control District, Feather River Air Quality District, Placer County Air Pollution Control District, Sacramento Metropolitan Air Quality Management District, and Yolo-Solano Air Quality Management District.

(o) “Very low-emission vehicle” means a vehicle with emissions significantly lower than otherwise applicable baseline emission standards or uncontrolled emission levels determined pursuant to the criteria in Section 44282.

44299.51. There is hereby created the Sacramento Emergency Clean Air and Transportation Program. The program shall be administered by SACOG. The implementation of the program, in whole or in part, may be delegated by SACOG to the Sacramento Region Districts.

The program may provide grants to offset the advanced introduction costs of eligible projects that reduce onroad emissions of NO<sub>x</sub> within the Sacramento federal ozone nonattainment area. Eligibility for grant awards shall be determined by SACOG, or delegated by SACOG to the Sacramento Region Districts, in accordance with this chapter.

44299.52. (a) Eligible projects may include, but shall not be limited to, any of the following:

(1) Purchase of new very low- or zero-emission covered vehicles or covered engines to replace older heavy-duty diesel vehicles or engines.

(2) NO<sub>x</sub> emission-reducing retrofit of covered engines, or replacement of old diesel engines and drives powering covered sources with newer diesel engines and drives certified to more stringent NO<sub>x</sub> emissions standards than the engine being replaced.

(3) Purchase and use of NO<sub>x</sub> emission-reducing add-on equipment for covered vehicles.

(4) Implementation of practical, low-emission retrofit technologies, repower options, advanced technologies, or low sulfur diesel or alternative fuel mixtures for covered engines and vehicles.

(b) In determining eligible projects, SACOG or the Sacramento Region Districts shall not exclude any technology based on the type of fuel utilized by that technology.

(c) Eligible applicants may be any individual, company, or public agency that owns one or more covered vehicles that operate primarily within the Sacramento federal ozone nonattainment area or otherwise contribute substantially to the NO<sub>x</sub> emissions inventory in the Sacramento federal ozone nonattainment area.

(d) The program shall provide grants to eligible projects that help reduce onroad NO<sub>x</sub> emissions on a timely and cost-effective basis within the Sacramento federal ozone nonattainment area in order to maximize the reduction in NO<sub>x</sub> emissions from available funds, thereby aiding the area in its efforts to achieve applicable air quality conformity goals in 2002 and 2005.

44299.53. (a) Funds to implement the program shall be provided from the amount allocated from the Traffic Congestion Relief Fund for the purposes of paragraph (118) of subdivision (a) of Section 14556.40 of the Government Code.

(b) To ensure that emission reductions are obtained as needed from pollution sources, funds provided as described in subdivision (a) shall be segregated as follows:

(1) Not more than 1 percent of the funds provided as described in subdivision (a) shall be allocated to program support and outreach costs incurred by SACOG or the Sacramento Region Districts directly associated with implementing the program pursuant to this chapter.

(2) Not more than 2 percent of the funds provided as described in subdivision (a) shall be allocated to direct program outreach activities.

(3) The balance shall be used to offset costs of eligible projects.

(c) SACOG, in consultation with the Sacramento Region Districts, shall specify procedures by which evaluation and review of eligible projects shall be accomplished.

(d) The Sacramento Region Districts shall include an evaluation of the emission benefits provided by those eligible projects that are implemented in the Sacramento federal ozone nonattainment area in the milestone reports submitted in 2002 and 2005 to the United States Environmental Protection Agency pursuant to subsection (g) of Section 7511a of Title 42 of the United States Code.

(e) Funds provided to SACOG as described in subdivision (a) shall not be expended on any NO<sub>x</sub> control retrofit technology unless that technology has been determined to be eligible for use in the program pursuant to Section 44299.54.

44299.54. On or before January 10, 2001, the executive officer of the state board shall make a determination as to the eligibility of NO<sub>x</sub> retrofit technologies for use in the program, and may make additional determinations of eligibility of NO<sub>x</sub> technologies after January 10, 2001. In order to be determined eligible by the executive officer of the state board, each NO<sub>x</sub> retrofit technology shall have, at a minimum, the ability to reduce onroad heavy-duty diesel emissions of NO<sub>x</sub> by 10 percent or more and shall be durable and effective in reducing emissions, as determined by the executive officer of the state board.

44299.55. All emissions reductions and credits achieved as a result of programs initiated under this chapter shall be used to fulfill local and regional commitments to air quality standards. Any additional reductions or credits that may exist after the local or regional commitment to air quality is fulfilled may be used to fulfill the state's commitment to air quality standards and attainment.

SEC. 4. Chapter 9.7 (commencing with Section 44299.75) is added to Part 5 of Division 26 of the Health and Safety Code, to read:

CHAPTER 9.7. SAN JOAQUIN VALLEY EMERGENCY CLEAN AIR  
ATTAINMENT PROGRAM

44299.75. As used in this chapter, the following terms have the following meanings:

(a) "Advanced introduction costs" means the costs of the project, less a baseline cost that would otherwise be incurred by the applicant in the normal course of business. "Advanced introduction costs" may include, but shall not be limited to, incremental costs, additional operational costs, facility modifications, additional staff training, fueling infrastructure, and costs associated with off-cycle vehicle replacement, as determined by the district.

(b) "Attainment" means meeting the National Ambient Air Quality Standards (NAAQS) for ozone.

(c) "Covered engine" includes any internal combustion engine or electric motor and drive powering a covered source.

(d) "Covered source" includes onroad and off-road heavy-duty diesel vehicles and other onroad and off-road high-emitting diesel

engine categories, as determined by the San Joaquin Valley Air Pollution Control District.

(e) “Covered vehicle” includes any vehicle or piece of equipment powered by a covered engine.

(f) “District” means the San Joaquin Valley Air Pollution Control District.

(g) “New very low-emission vehicle” means a vehicle that qualifies as a very low-emission vehicle when it is a new vehicle, as defined in Section 430 of the Vehicle Code, or that is modified with the approval and warranty of the original equipment manufacturer to qualify as a very low-emission vehicle within 12 months of delivery to an owner for private or commercial use.

(h) “NO<sub>x</sub>” means oxides of nitrogen.

(i) “Program” means the San Joaquin Valley Emergency Clean Air Attainment Program created by this chapter.

(j) “Repower” means replacing an engine with a different engine. The term “repower,” as used in this chapter, generally refers to replacing an older, uncontrolled engine with a new, emissions-certified engine, although replacing an older emissions-certified engine with a new engine certified to lower emissions standards may be eligible for funding under this program.

(k) “Retrofit” means making modifications to the engine and fuel system such that the retrofitted engine does not have the same specifications as the original engine.

(l) “San Joaquin Valley federal ozone nonattainment area” means the area defined by the United States Environmental Protection Agency on page 56699 of Volume 56 of the Federal Register dated November 6, 1991.

(m) “Very low-emission vehicle” means a vehicle with emissions significantly lower than otherwise applicable baseline emission standards or uncontrolled emission levels determined pursuant to the criteria in Section 44282.

44299.76. (a) There is hereby created the San Joaquin Valley Emergency Clean Air Attainment Program. The program shall be administered and implemented by the district.

(b) The program may provide grants to offset the advanced introduction costs of eligible projects that the district determines aid in the reduction of onroad and off-road emissions of NO<sub>x</sub> within the San Joaquin Valley federal ozone nonattainment area.

(c) Eligibility of projects for grant awards shall be determined by the district in accordance with this chapter.

44299.77. (a) Eligible projects may include, but shall not be limited to, any of the following:

(1) Purchase of new very low- or zero-emission covered vehicles or covered engines to replace older heavy-duty diesel vehicles or engines.



(2) NO<sub>x</sub> emission-reducing retrofit of covered engines, or replacement of old diesel engines and drives powering covered sources with newer diesel engines and drives certified to more stringent NO<sub>x</sub> emissions standards than the engine being replaced.

(3) Purchase and use of NO<sub>x</sub> emission-reducing add-on equipment for covered vehicles.

(4) Implementation of practical, low-emission retrofit technologies, repower options, advanced technologies, or low sulfur or alternative fuel mixtures for covered engines and vehicles.

(b) In determining eligible projects, the district shall not exclude any technology based on the type of fuel utilized by that technology.

(c) Eligible applicants may be any person or public agency that owns one or more covered vehicles that operate primarily within the San Joaquin Valley federal ozone nonattainment area or otherwise contribute substantially to the NO<sub>x</sub> emissions inventory in the San Joaquin Valley federal ozone nonattainment area, as determined by the district.

(d) The program shall provide grants to eligible projects that help reduce onroad and off-road NO<sub>x</sub> emissions on a timely and cost-effective basis within the San Joaquin Valley federal ozone nonattainment area in order to maximize the reduction in NO<sub>x</sub> emissions from available funds, thereby aiding the area in its efforts to achieve applicable air quality goals.

44299.78. (a) Funds to implement the program shall be provided from the amount allocated from the Traffic Congestion Relief Fund for the purposes of paragraph (100) of subdivision (a) of Section 14556.40 of the Government Code.

(b) Funds from the account may be reserved by the district for local governments within the San Joaquin Valley federal ozone nonattainment areas that adopt an eligible program pursuant to this chapter.

(c) To ensure that emission reductions are obtained as needed from pollution sources, any funds provided as described in subdivision (a) shall be segregated as follows:

(1) Not more than 1 percent of the funds shall be allocated to program support and outreach costs incurred by the district directly associated with implementing the program pursuant to this chapter.

(2) Not more than 2 percent of the funds provided as described in subdivision (a) shall be allocated to direct program outreach activities.

(3) The balance shall be used to offset costs of eligible projects.

(d) Funds provided as described in subdivision (a) shall be allocated to the district upon the approval by the district of an application from an eligible applicant regarding an eligible project. The district may determine the maximum amount of annual funding each applicant may receive.



(e) Funds provided as described in subdivision (a) shall not be expended on any NO<sub>x</sub> control retrofit technology unless the technology has been determined to be eligible for use in the program pursuant to Section 44299.79.

44299.79. On or before January 10, 2001, the executive officer of the state board shall make a determination as to the eligibility of NO<sub>x</sub> retrofit technologies for use in the program, and may make additional determinations of eligibility of NO<sub>x</sub> technologies after January 10, 2001. In order to be determined eligible by the executive officer of the state board, each NO<sub>x</sub> retrofit technology shall have, at a minimum, the ability to reduce onroad heavy-duty diesel emissions of NO<sub>x</sub> by 10 percent or more and shall be durable and effective in reducing emissions, as determined by the executive officer of the state board.

